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U.S. debt swap to preserve forestlands in Guatemala

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MEXICO CITY -- The U.S. government has joined with two environmental groups in a debt-for-nature swap that will forgive about 20 percent of Guatemala's \$108 million in foreign debt to Washington in an effort to preserve tropical forests, officials said.

In a deal to be announced Monday in Guatemala City, the government has agreed, in exchange for the debt forgiveness, to invest \$24.4 million over the next 15 years in conservation work in four nature regions.

This is the largest amount of debt that has been forgiven by the United States under the Tropical Forest Conservation Act, enacted in 1998. So far 10 countries, from the Philippines to Peru, have had part of their debt forgiven in exchange for forest-protection efforts.

"You can't just come in as the U.S. and say it's important to protect those forests," said Claudia McMurray, assistant secretary of state for oceans, environment, and science. "You have to give these countries alternatives."

The U.S. government contributed about \$15 million toward the cancellation of Guatemala's debt, and the groups Conservation International and the Nature Conservancy each contributed an additional \$1 million. The funds and interest will bring the amount to more than \$20 million, officials said.

Those funds, and the interest they will generate, will be enough to erase more than \$20 million in debt and interest, officials said.

"This is a huge deal for Guatemala," John Beavers, who helped to negotiate the deal for the Nature Conservancy, said in a telephone interview from Guatemala City. "We hope it helps to drive the conservation area in Guatemala."

The country has struggled in recent years to control illegal logging and drug trafficking in its natural areas. Soldiers are deployed in some parts of the country to stem the destruction.

There is also a legal threat to Guatemala's parks. A business confederation has filed a suit contending that the law establishing the protected areas is unconstitutional, because it did not receive a two-thirds majority when the legislature approved it almost 20 years ago.

The bulk of the money generated by the debt forgiveness will go to private organizations working to preserve the country's nature areas. A \$4.9 million conservation trust fund will also be set up to generate interest income for future grants.

The money will be spent in four of Guatemala's premier reserves, which are home to many rare and endangered species.

The areas are the Cuchumatanes region, the Maya Biosphere Reserve, the Motagua/Polochic System and the Western Highlands volcanic chain. Copyright © 2006, [Chicago Tribune](#)